planning to set up joint ventures companies in the field of distribution. The perceived advantage of this system is improved customer service through private management, retaining at the same time a certain minimum extent of control over ownership necessary for ensuring that the joint venture companies operate in a transparent manner.

(c) No, Sir.

Rationalisation of Power Tariff

299. PROF. NAUNIHAL SINGH: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that Government are planning to rationalise power tariff, if so, what are the objectives and details of steps to be taken in this regard; and

(b) how Government are planning to finance the above-mentioned programme with details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF SCIENCE AND TECHNOLOGY AND THE MINISTER OF STATE OF THE MINISTRY OF POWER (SHRI YOGINDER K. ALAGH): (a) Yes, Sir. The Common Minimum National Action Plan for Power (CMNPP), finalised in the Chief Ministers, Conference on Power recommends establishment of State Electricity Regulatory Commission (SERC) in each state. Determination of retail tariffs, including wh?eling charges etc. will be decided by SERCs which will ensure a minimum overall 3% rate of return to each utility. Cross subsidisation between categories of consumers may be allowed by SERCs. No sector shall, however pay less than 50% of the average cost of supply, agriculture tariff not being less than 50 paise per Kwh to be brought to 50% of the average cost in not more than 3 years. Recommendations of SERCs will be mandatory and for any deviation from tariff recommended by it, the State Government/Uts have to provide for the financial implication of such deviation in the State/UT budget a package of incentives and disincentives to encourage and facilitate the implementation of tariff rationalisation by the States will also be introduced.

(b) Central Government has introduced a bill in the monsoon session (1997) of the Parliament for establishment of a Central Electricity Regulatory Commission, (CERC) and State Electricity Regulatory Commissions (SERC). The funding shall be met by the. respective Governments. Central Government is actively supporting State Governments in their effort to introduce power sector reforms. The World Bank, Asian Development Bank and Power Finance Corporation have also been assisting the States in power sector reforms.

Government of India has available through Power Finance Corporation funds for metering and transmission/distribution system improvements.

Setting up of Power Project at Vis-hakhapatnam

300. DR. Y. LAKSHMI PRASAD: Will the Minister of POWER be pleased to state:

(a) whether there is any proposal to set up 1000 MW Power projects at Vis-akhapatnam by NTPC;

(b) if sp, the details thereof;

(c) the steps taken so far for implementing the project; and

(d) by when the project is likely to commence?

THE MINISTER OF STATE OF THE MINISTRY OF SCIENCE AND TECHNOLOGY AND THE MINISTER OF STATE OF THE MINISTRY OF POWER (SHRI YOGINDER K. ALAGH): (a) and (b) Yes, Sir. The project located at Simhadri near Pittavanipalem Village in district Visakhapatnam in Andhra Pradesh has been accorded Government approval in July, 1997 and comprises two units of 500 MW each.